



U.S. Department
of Transportation
**Federal Aviation
Administration**

**Detroit Airports District Office
11677 South Wayne Road
Suite 107
Romulus, MI 48174**

December 13, 2010

The Honorable Mark Mallory
Mayor of Cincinnati
801 Plum Street
Cincinnati, OH 45202-1979

Dear Mayor Mallory:

Cincinnati-Blue Ash Airport, Cincinnati, Ohio

Earlier this year, we spoke to your staff about the agreement reached between the City of Cincinnati and the City of Blue Ash with regard to the Blue Ash Airport (ISZ). During this call, we asked the City of Cincinnati to provide the Federal Aviation Administration (FAA) with more information relative to the use of the airport's revenue. To date, we have not received any information.

We understand that the City of Blue Ash agreed to purchase approximately 130 acres of the airport property. During our March 12, 2010, telephone call, we learned that the City of Blue Ash has already paid the City of Cincinnati approximately \$1 million of the \$37.5 million transaction. We were told that these funds were being used for environmental cleanup associated with the airport. At that time, we reminded the city about the legal restrictions placed on airport revenue; and we asked the city to provide more detailed information about how these funds had been used, as well as plans for the next \$1 million payment.

The City of Cincinnati is bound by an enduring obligation to keep all airport revenue within its airport system. This is because the city had grant assurances in effect in 1996 when Congress amended the law on airport revenue use. This provision, now codified at 49 U.S.C. § 47133, extended the City of Cincinnati's obligations with regard to airport revenue as long as ISZ remains an airport.

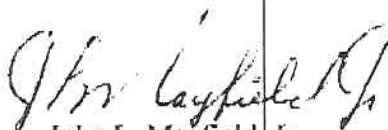
After this statutory addition, the Cities of Cincinnati and Blue Ash worked together to have Congress grant them an exception to this provision. However, Section 739 of Public Law 106-181, the "Wendell H. Ford Aviation Investment and Reform Act for the 21st Century," specified a different transaction than the one which has occurred. This provision conditions the exemption upon approval by the Secretary of Transportation and the sale of the entire airport from the City of Cincinnati to the City of Blue Ash, and requires the City of Blue Ash to become the airport's sponsor. In addition, the City of Blue Ash must agree to continue to maintain and operate the airport for a period of 20 years.

Our understanding of the agreement reached between the two cities is very different from the transaction envisioned by the U.S. Congress. In other words, it does not appear to have been implemented in accordance with the terms of the special legislation. The City of Cincinnati continues to serve as the owner and operator of ISZ. Although the city engaged in preapplication planning for a Fiscal Year 2010 Airport Improvement Program (AIP) grant, the city never provided our office with all of the information needed to program an AIP grant for airport development. As a result, the City of Cincinnati allowed \$150,000 in nonprimary entitlement AIP funds for ISZ to expire.

We remain concerned about the future of ISZ. Please provide an explanation of the agreement that your city has with the City of Blue Ash. We would also like to receive information that explains how much of the ISZ airport property has been sold, the amount of funds received for the sale of this land, and an accounting of how these funds have been or will be spent. In order to resolve these issues in a timely manner and avoid the further forfeiture of ISZ's entitlement funding, we ask that you respond within 30 days of receipt of this letter. Failure to work together may result in the FAA pursuing all available legal remedies, including, but not limited to, initiating an investigation under Subpart D of 14 CFR Part 16.

If you have any questions, please do not hesitate to contact me at (734) 229-2900.

Sincerely,



John L. Mayfield, Jr.
Manager, Detroit Airports District Office

cc: Milton R. Dohoney Jr., City Manager, City of Cincinnati
David L. Holmes, Assistant City Manager, City of Cincinnati
Michael Moore, Director, Transportation & Engineering, City of Cincinnati
Fred Anderton, Airport Manager, ISZ